

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

CIVIL ACTION No. **16-CV-11077-WGY**

Ranjit Singanayagam as he is)
the City of Cambridge's)
Commissioner of Inspectional)
Services, et. al.)
Plaintiffs,)
)
v.)
)
Kenneth B. Krohn,)
Defendant,)
Third Party Plaintiff,)
and Cross Claimant)
)
v.)
)
Richard C. Rossi, Individually))
and as City Manager,)
Cambridge, Massachusetts)
Third Party Defendant))
and)
)
City of Cambridge)
Cross Defendant)

RECEIVER'S STATUS REPORT
DATED SEPTEMBER 19, 2018

Now comes the court appointed receiver, Attorney Daniel G. McAuley, Jr., and reports as follows:

1. On February 20, 2018, this Court (Young, J.) approved a Purchase & Sale Agreement between Kenneth B. Krohn and 12 Arnold Circle LLC (c/o Sean D. Hope), in the amount of \$5,400,000, with a closing date of not later than May 14, 2018.

2. An issue subsequently arose regarding the applicability of a City of Cambridge municipal ordinance requiring an "affordability" set aside of units, due to the fact that the building has now been vacant for over two years.¹

3. Krohn (Seller) & Hope (Buyer) dispute the application of the ordinance to this property; appealed the matter to the Cambridge Zoning Board of Appeals; it was scheduled to be heard there on several occasions without a result, and Receiver is now informed it has been re-scheduled to November 29, 2018.

4. Dr. Krohn now seeks injunctive relief from the Federal District Court in the form of a motion entitled: Defendant's Motion to Enjoin Plaintiffs from Continuing Through Further Interposition of a Frivolous Legal Argument to Obstruct the Agreed Upon Sale of Defendant's Home.

5. Hope has confirmed to Receiver his desire and ability to close on the property in the relatively near future, and furthermore, Hope has confirmed he will continue to undertake any short-term remedial efforts at the property required by the Receiver and the City of Cambridge.

6. Receiver continues to press Hope/Krohn to consummate this sale, in either its original form or a modified price adjusted form, certainly before the late fall weather is upon

¹ Section 11.200 of the City of Cambridge Zoning Ordinance, entitled "Incentive Zoning and Inclusionary Housing", is triggered, inter alia, for "occupancy of existing buildings which have not been used for any residential use for a period of at least two (2) years",

us.

7. Receiver has suggested a potential transaction format of: closing at the originally agreed upon \$5,400,000 price, but Receiver will then hold in escrow an agreed upon escrow amount (e.g. \$1,000,000) representing the renegotiated price reduction based on the affordability set aside.

8. An appeal can then be pursued, and if the appeal is successful Dr. Krohn would receive the escrow funds; and if the appeal were denied those funds would go back to the Buyer.

9. This format would allow the much anticipated sale of the property to go forward, the substantial renovation project to commence, and for the affordability issue to be decided down the line without holding up the remediation of the property.

WHEREFORE, the Receiver respectfully requests this Court to:

1. ACCEPT this Status Report.
2. SCHEDULE a further status hearing for 30 - 45 days.
2. GRANT such other relief as the Court deems just and proper.

Respectfully submitted,

The Receiver,

A handwritten signature in dark ink, appearing to read 'D. McAuley, Jr.', enclosed within a large, loopy oval flourish.

Daniel G. McAuley, Jr., Esq.

BBO# 564704

400 TradeCenter, Suite 5900

Woburn, MA 01801

(781) 569-5080

Email: dgmesq@comcast.net

Dated: September 20, 2018